

Introduced by Senator Cedillo

February 10, 2005

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An act to amend Section ~~17581.5~~ 17518.5 of the Government Code, relating to state mandates.

LEGISLATIVE COUNSEL'S DIGEST

SB 190, as amended, Cedillo. State mandates.

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Statutory provisions establish procedures for making that reimbursement and define a reasonable reimbursement methodology for this purpose.

~~This bill would make a technical, nonsubstantive change in those statutory provisions, on or before June 1, 2006, require the Department of Finance to develop a reasonable reimbursement methodology in consultation with the Controller, an affected state agency, a claimant, interested local governments, and any other interested parties.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17518.5 of the Government Code is  
2 amended to read:

1 17518.5. (a) “Reasonable reimbursement methodology”  
2 means a formula for reimbursing local agency and school district  
3 costs mandated by the state that meets the following conditions:

4 (1) The total amount to be reimbursed statewide is equivalent  
5 to total estimated local agency and school district costs to  
6 implement the mandate in a cost-efficient manner.

7 (2) For 50 percent or more of eligible local agency and school  
8 district claimants, the amount reimbursed is estimated to fully  
9 offset their projected costs to implement the mandate in a  
10 cost-efficient manner.

11 (b) Whenever possible, a reasonable reimbursement  
12 methodology shall be based on general allocation formulas,  
13 uniform cost allowances, and other approximations of local costs  
14 mandated by the state, rather than based on detailed  
15 documentation of actual local costs. In cases when local agencies  
16 and school districts are projected to incur costs to implement a  
17 mandate over a period of more than one fiscal year, the  
18 determination of a reasonable reimbursement methodology may  
19 consider local costs and state reimbursements over a period of  
20 greater than one fiscal year, but not exceeding 10 years.

21 ~~(c) A reasonable reimbursement methodology may be~~  
22 ~~developed by any of the following:~~

23 ~~(1) The Department of Finance.~~

24 ~~(2) The Controller.~~

25 ~~(3) An affected state agency.~~

26 ~~(4) A claimant.~~

27 ~~(5) An interested party.~~

28 *(c) (1) On or before June 1, 2006, the Department of Finance*  
29 *shall develop a reasonable reimbursement methodology in*  
30 *consultation with all of the following:*

31 *(A) The Controller.*

32 *(B) An affected state agency.*

33 *(C) A claimant.*

34 *(D) Interested local governments.*

35 *(E) Any other interested parties.*

36 *(2) This subdivision does not require the participation by any*  
37 *party consulted by the Department of Finance pursuant to*  
38 *paragraph (1).*

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